

ASSEMBLY BILL

No. 313

Introduced by Assembly Member Dutra

February 7, 2003

An act to repeal Section 50707 of the Financial Code, relating to mortgage lending.

LEGISLATIVE COUNSEL'S DIGEST

AB 313, as introduced, Dutra. Mortgage lending.

The California Residential Mortgage Lending Act provides for licensing and regulation of residential mortgage lenders by the Commissioner of Corporations. These provisions will be repealed on June 30, 2005.

This bill would delete the repeal provision, thereby extending the act indefinitely.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 50707 of the Financial Code is repealed.
2 ~~50707. (a) This chapter shall remain operative until June 30,~~
3 ~~2005, on which date it shall be repealed, unless a later enacted~~
4 ~~statute extends or deletes that date. The purpose of this provision~~
5 ~~is to allow the Legislature to assess whether this chapter (1)~~
6 ~~increases or decreases the protections and remedies for consumers~~
7 ~~of brokerage services compared to provisions of the Real Estate~~
8 ~~Law applicable to mortgage brokerage activities; and (2) increases~~

1 or decreases the cost to the state of regulating mortgage brokerage
2 activities.

3 ~~(b) On or before December 31, 1999, the Secretary of the~~
4 ~~Business, Transportation and Housing Agency shall conduct a~~
5 ~~study of the matters referenced in subdivision (a) of this section,~~
6 ~~and deliver a report summarizing the findings of the study to both~~
7 ~~the Assembly Committee on Rules and Senate Rules Committee,~~
8 ~~which shall refer the report to appropriate policy committees. The~~
9 ~~report shall be prepared from then existing agency resources.~~

10 ~~(c) On or before December 31, 2002, the Secretary of the~~
11 ~~Business Transportation and Housing Agency shall prepare a~~
12 ~~second report, which shall: (1) update the findings of the report due~~
13 ~~December 31, 1999, and (2) report, for the years 2000 and 2001,~~
14 ~~the number and the aggregate principal amount of closed~~
15 ~~residential mortgage loans secured by residential real estate in~~
16 ~~which licensees provided brokerage services pursuant to this~~
17 ~~chapter. This report shall be prepared from then existing agency~~
18 ~~resources.~~

